

**DEPARTMENT OF WATER SUPPLY
COUNTY OF HAWAI'I
WATER BOARD MEETING
AGENDA**

MEETING DATE: July 28, 2009

TIME: 10:00 a.m.

PLACE: Department of Water Supply, Operations Center, Conference Room, 889 Leilani Street, Hilo

- 1) CALL TO ORDER – 10:00 a.m. *(please turn cell phones off or set to silent)*
- 2) STATEMENTS FROM THE PUBLIC
- 3) APPROVAL OF MINUTES
 - 1.) Minutes of the June 30, 2009, Public Hearing on the Proposed Rate Change of the Power Cost Charge
 - 2.) Minutes of the June 30, 2009, regular Water Board Meeting
- 4) APPROVAL OF ADDENDUM AND/OR SUPPLEMENTAL AGENDA
(Note: Addendum requires Roll Call Vote)
- 5) SOUTH KOHALA

A. JOB NO. 2009-955, LĀLĀMILO WELL B REPAIR:

Bids were opened on July 9, 2009, at 2:00 p.m., and the following are the bid results:

Bidder	Amount
Water Resources International, Inc. (Lowest Responsible Bidder)	\$179,215.60
Beylik Drilling & Pump Service, Inc.	\$227,304.00
Derrick's Well Drilling & Pump Services, LLC	\$293,804.51

Project Scope: This project consists of the removal and replacement of the existing oil lube line shaft pump, column pipe, inner column assembly and appurtenances of Lālāmilo Well B.

Project Cost:

1) Low Bidder (Water Resources International, Inc.)	\$179,215.60
2) Construction Contingency (10%)	<u>\$ 17,921.56</u>
Total Construction Cost:	\$197,137.16

Funding for this project will be from DWS's CIP Budget under Deepwell Pump Replacement. Contractor will have 180 calendar days to complete this project. The Engineering estimate was \$475,000.00.

RECOMMENDATION: It is recommended that the Water Board award the contract for JOB NO. 2009-955, LĀLĀMILO WELL B REPAIR, to Water Resources International, Inc. for their bid amount of \$179,215.60 plus \$17,921.56 for contingency, for a total contract amount of \$197,137.16. It is also recommended that the Board authorize either the Chairperson or the Vice-Chairperson to sign the contract, subject to review as to form and legality of the contract by Corporation Counsel.

B. JOB NO. 2009-953, WAIMEA WATER TREATMENT PLANT SLUDGE REMOVAL:

At the May 26, 2009, Water Board meeting, the Water Board awarded the contract for JOB NO. 2009-953, WAIMEA TREATMENT PLANT SLUDGE REMOVAL to Sweet Water Too, Inc.

Various issues have arisen regarding this award. The Department anticipates the need to discuss and possibly request further action from the Board. Supplemental information will be provided at the meeting.

6) NORTH KONA

A. FIRST SUPPLEMENTAL WELL DEVELOPMENT AGREEMENT - LANIHOU PROPERTIES, LLC, WEST HAWAII BUSINESS PARK, LLC, PALANI RANCH COMPANY, INC.:

(This item was deferred at the 6/30/09 Water Board Meeting.)

The Well Development Agreement between Lanihou Properties, LLC, West Hawai`i Business Park, LLC, Palani Ranch Company, Inc., and the Water Board was approved at the Board Meeting on June 27, 2006 and executed on August 22, 2006. Now that the well has been drilled, cased, and tested, Lanihou, West Hawai`i Business Park and Palani Ranch desire to enter into this First Supplemental Well Development Agreement which details the well capacity as well as the requirements to outfit the well and its supporting facilities to obtain the water allocations for their Honokōhau Properties. This First Supplemental Agreement also outlines the allocation of and initial assignment as well as subsequent assignment(s) of equivalent units.

RECOMMENDATION: It is recommended that the Water Board approve this First Supplemental Well Development Agreement, and authorize either the Chairperson or Vice-Chairperson to execute the Agreement subject to the review and approval of the Corporation Counsel.

B. OFF-SITE IMPROVEMENT AGREEMENT – WEST HAWAII BUSINESS PARK:

(This item was deferred at the 6/30/09 Water Board Meeting.)

Lanihau Properties, LLC, and West Hawaii Business Park, LLC (WHBP) wish to enter into this “Off-Site Improvement Agreement” (Off-Site Agreement) to provide potable water to the West Hawaii Business Park Development (WHBP Project), included in their Honokōhau Properties as described in the Well Development Agreement. This Off-Site Agreement describes the allocation of equivalent units and the water system improvements required by WHBP in order to provide potable water to the WHBP Project. The off-site improvements include but are not limited to, a 0.5-million gallon concrete reservoir and transmission mains adequate to service the WHBP Project. A portion of the project will be serviced by the existing water system adjacent to the WHBP Project.

This Off-Site Agreement is subject to the terms set forth in the Well Development Agreement and the First Supplemental Well Development Agreement if approved.

RECOMMENDATION: It is recommended that the Water Board approve this Off-Site Improvement Agreement and authorize either the Chairperson or Vice-Chairperson to execute the Agreement subject to the review and approval of the Corporation Counsel.

C. JOB NO. 2003-823, CONSTRUCTION OF PALANI ROAD TRANSMISSION WATERLINE MĀMALAHOA HIGHWAY TO PALANI NO. 2 RESERVOIR:

Bids will be opened on July 23, 2009, at 2:00 p.m.; and a report and recommendation will be provided at the meeting.

7) MISCELLANEOUS:

A. ENERGY PERFORMANCE PROJECT:

Information on status of project to be given.

B. DEDICATION OF WATER SYSTEMS:

The Department received the following documents for action by the Water Board. The water systems have been constructed in accordance with the Department’s standards and are in acceptable condition for dedication.

1. FIRST AMENDMENT TO LICENSE EASEMENT No. 722

Subdivision Application No. 2004-0217B

Lālāmilo Housing Phase I East Subdivision

TMK: (3) 6-6-004:012

EWO NO.: 2007-005 (East)

Owner/Licensor: State of Hawai`i, Department of Hawaiian Home Lands

No. of Lots: 18

Zoning: RS-10

Final Inspection Date:

(TBA)

Facilities Charge: \$73,440.00

Date Paid: 7/15/09

Water System Cost:

(TBA)

2. GRANT OF EASEMENT AND BILL OF SALE

Subdivision Application No. 03-000148

Grantor: Ki'ilaie Farms Subdivision

TMK: (3) 8-5-006:020, 027, 031 & 032 and 8-5-007:009, 014, 020 & 021

E.W.O. 2008-012

Lots: 50 and 5 Road Lots

Zoning: A-5a

Final Inspection Date:

(TBA)

Facilities Charge: \$341,900.00

Paid: 6/08/2007

Water System Cost:

(TBA)

RECOMMENDATION: It is recommended that the Water Board accepts these documents subject to the approval of the Corporation Counsel and that either the Chairman or the Vice-Chairman be authorized to sign the documents.

C. MONTHLY PROGRESS REPORT:

Submission of Progress Report of Projects by the Department (*see attached*). Department personnel will be available to respond to questions by the Board regarding the status/progress of any project.

D. REVIEW OF MONTHLY FINANCIAL STATEMENTS:

Submission of financial statements and information relating to the financial status of the Department. Department personnel will be available to respond to questions by the Board relating to the financial status of the Department.

E. WATER RATE STUDY:

Discussion on the new water rate study that the Department is planning to conduct, to address the shortage of funds being generated from water sales.

F. MANAGER'S REPORT:

The Manager will provide an update or status on the following:

1. Update on use agreement on KIC wells
2. Palani Road Transmission Project
3. Kona Water Round Table
4. Sustainability/Energy/Green Team update
5. Employee of the Quarter presentation

G. CHAIRPERSON'S REPORT:

Chairperson to provide comments and/or information relating to matters of concern to the Water Board.

H. **REFERRALS FOR EXECUTIVE SESSION: WATER BOARD OF THE COUNTY OF HAWAII v. MARK G. JERNIGAN, ET AL., CIV. NO. 09-1-155K (CIRCUIT COURT OF THE THIRD CIRCUIT STATE OF HAWAII)**

The Water Board anticipates convening an executive meeting regarding the foregoing matter, pursuant to Section 92-5(a)(4), for the purpose of consulting with Water Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities and/or 92-5(a)(3) to deliberate concerning the authority of persons to negotiate the acquisition of public property, or during the conduct of such negotiations.

8) **ANNOUNCEMENTS:**

1. **Next Meeting:**

The next meeting of the Water Board will be held on August 25, 2009 at 10:00 a.m. in Kona at the Royal Kona Resort, Resolution Room, 75-5852 Ali'i Drive, Kailua-Kona.

2. **Following Meeting:**

The following meeting of the Water Board will be held on September 22, 2009, at 10:00 a.m. at the Waimea Community Center, 65-1260 Kawaihae Road, Kamuela.

9) **STATEMENTS FROM THE PUBLIC:**

10) **ADJOURNMENT**

The meeting place is accessible to persons with disabilities. If you require use of an auxiliary aid or other access accommodation, please contact Doreen Shirota at 961-8050 as soon as possible or at least 5 days prior to the meeting.

The Department of Water Supply is an Equal Opportunity provider and employer.

Notice to Lobbyists: If you are a lobbyist, you must register with the Hawai'i County Clerk within five days of becoming a lobbyist. {Article 15, Section 2-91.3(b), Hawai'i County Code} A lobbyist means "any individual engaged for pay or other consideration who spends more than five hours in any month or \$275 in any six-month period for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials." {Article 15, Section 2-91.3(a)(6), Hawai'i County Code} Registration forms and expenditure report documents are available at the Office of the County Clerk-Council, Hilo, Hawai'i.